

STATE OF SOUTH CAROLINA

(Caption of Case)

In the Matter of the Joint Application of
Development Service, Inc. and Bush River Utilities,
Inc. For Approval of a Pro Forma Restructuring

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

191017
ORIGINAL

DOCKET

NUMBER: 2008 - 69 - 5

(Please type or print)

Submitted by: Charles H. Cook, Esquire

SC Bar Number: 1367

Address: 721 Olive Street

Telephone: 803-771-0555

Columbia, SC 29205

Fax: 803-771-8010

Other:

Email: ccook@elliottlaw.us

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

ELLIOTT & ELLIOTT, P.A.
ATTORNEYS AT LAW
721 OLIVE STREET
COLUMBIA, SOUTH CAROLINA 29205
ccook@elliottlaw.us

CHARLES H. COOK
OF COUNSEL

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

February 26, 2008

VIA HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk of the Commission
SC Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

RECEIVED
2008 FEB 26 PM 12:02
SC PUBLIC SERVICE
COMMISSION

RE: Joint Application of Development Service, Inc. and Bush River
Utilities, Inc. for Approval of *Pro Forma* Restructuring

Dear Mr. Terreni:

Enclosed please find for filing an original and fifteen (15) copies of an Application in the above referenced matter together with a Certificate of Service on the Office of Regulatory Staff for filing.

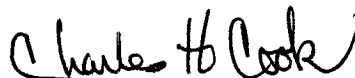
I have included an extra copy which I would ask you to date stamp and return to me via my courier.

A copy of this letter and the Joint Application is also being furnished to Mr. Tom Richmond at DHEC to provide notification of the intended restructuring.

Thank you for your assistance, and please call me if you have any questions regarding this matter.

Very truly yours,

ELLIOTT & ELLIOTT, PA



Charles H. Cook

CHC/mlw
Enclosure

c: All parties of record w/enc.
Tom Richmond, DHEC w/enc.

BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. _____

In the Matter of the Joint Application)
of)
Development Service, Inc.,)
and)
Bush River Utilities, Inc.)
For Approval of a <i>Pro Forma</i> Restructuring)

RECEIVED
2008 FEB 26 PM 12:02
SC PUBLIC SERVICE
COMMISSION

JOINT APPLICATION

Development Service, Inc. ("DSI") and Bush River Utilities, Inc. ("Bush River") (collectively, "Applicants"), by their attorneys and pursuant to S.C. Code Ann. Title 58, Commission Regulation 103-504 as well as other applicable statutes or rules, hereby respectfully request approval from the South Carolina Public Service Commission ("Commission") to the extent that such approval is necessary for a *pro forma* corporate restructuring involving the merger of the Applicants, with DSI as the surviving corporation and name of entity. Applicants respectfully request that the Commission act expeditiously, to the extent necessary, to grant the approval requested before April 30, 2008, in order that the Applicants may timely meet business plans and objectives. (See Exhibit 1, *pro forma* filing for Secretary of State of South Carolina).

In connection with the proposed transaction, the Applicants request approval for Bush River to transfer operating authority of its approved territory in South Carolina to DSI the surviving merger entity, upon consummation of the proposed transaction. As

explained more fully below, following the proposed transaction, Bush River will merge into DSI and DSI will assume the customers and operations of Bush River pursuant to their authority as public utilities to provide sewer services. Customers will not be adversely affected by this merger as existing service will not be discontinued, reduced, impaired or interrupted as a result of the proposed *pro forma* merger. The merger does not affect the existing tariff rates heretofore approved by the Commission. As such, Applicants request that the proposed transaction be approved without a hearing pursuant to Commission Regulation 103-501. The hearing requirement of Regulation 103-504 is requested to be waived as Applicants expect unusual difficulty due to the time it would take to have a hearing and still meet the merger timeline, and it is in the public interest to avoid unnecessary expense if there is support for the merger with no negative responses having been submitted after proper notice.

In support of this Application, Applicants state as follows:

I. DESCRIPTION OF THE APPLICANTS AND OWNERSHIP

A. DSI

DSI is a South Carolina corporation with its principal place of business located at 816 East Main Street, Lexington, SC 29072, telephone number 803-359-4803. DSI's stock is owned wholly by Keith G. Parnell and C. K. (Ken) Parnell as equal shareholders. DSI is a privately owned public utility providing sewer service to 68 residential and 70 commercial customers in Richland County. DSI collects sewerage from its customers and transfers it to Bush River for treatment. DSI operates under a schedule of rates approved in Docket No.2004-212-S, Order No. 2007-314 for rates implemented under Phase II approved by the Commission, having certified its

compliance with all conditions and requirements previously imposed. DSI will continue to operate with the same basic management structure as Bush River and DSI have in place with the customers to be served under one sewer utility.

B. Bush River

Bush River is a South Carolina corporation with principal place of business located at 816 East Main Street, Lexington, SC 29072, telephone number 803-359-4803. Bush River's stock is owned wholly by Keith G. Parnell and C. K. (Ken) Parnell as equal shareholders. Bush River is a privately owned public utility providing sewer service to 53 commercial customers in Richland and Lexington Counties. Bush River treats sewerage collected by DSC and its own customers. Bush River operates under a schedule of rates approved in Docket No. 2004-259-S, Order No. 2007-315 for rates implemented under Phase II approved by the Commission, having certified its compliance with all conditions previously imposed. DSI will continue to operate with the same basic management structure as Bush River and DSI have in place with the customers to be served under one sewer utility.

II. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, and other materials pertaining to this Application should be directed to:

Scott Elliott
Charles H. Cook
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
(803)771-0555 (Tel)
(803)771-8010 (Fax)

Copies of any correspondence should also be sent to the following designated representative of DSI and Bush River:

Keith G. Parnell
President
Development Service, Inc.
Bush River Utilities, Inc.
816 East Main Street
Lexington, SC 29072
803-359-4803 (Tel)
803-359-2374 (Fax)

III. DESCRIPTION OF THE PROPOSED TRANSACTION

The Applicants request approval for a *pro forma* corporate restructuring in which Bush River will be merged with and into DSI, with DSI surviving. As a result of the merger, Bush River's assets and liabilities will merge with DSI. DSI will become the surviving operating public utility using its present name of Development Services, Inc. Upon completion of this *pro forma* corporate restructuring, DSI will assume the customers and operations of Bush River and will gradually phase the Bush River service name for those customers over to DSI. DSI will provide service to all of its present customers, including those served now by Bush River pursuant to both entities' existing operating authority in South Carolina.

The Applicants anticipate that this *pro forma* merger will be seamless and transparent to Bush River's customers, without interruption. There will be no change in the ultimate ownership or control of the merging companies. Service will be provided using the same network, billing systems and customer service operations currently used by Bush River and DSI. No existing service will be discontinued, reduced, or impaired as a result of the *pro forma* merger. In addition, DSI will serve all customers of both DSI

and Bush River, using the existing rate structure, terms, and conditions under Phase II that currently apply. DSI intends to adopt those portions of Bush River's tariffs relating to Bush River's service offerings and when necessary will file a revised tariff after consummation of the transaction or as otherwise directed by the Commission.

Finally, notice to affected customers of Bush River and DSI as to the proposed transaction will be timely furnished prior to the merger taking place.

IV. PUBLIC INTEREST STATEMENT

The proposed transaction will serve the public interest in the Counties served in South Carolina by the merging utilities. The proposed transaction will streamline and eliminate inefficiencies from the business and administrative operations of DSI and Bush River. Specifically, the Applicants anticipate that this transaction will allow them to realize operational benefits. Such benefits are likely to result from service integration, reduced overhead and administrative costs, and other sources. These efficiencies will cause the surviving DSI to continue to provide high quality and fair cost sewer utility services to all customers in the territories served.

V. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by granting this Application. Accordingly, Applicants respectfully request that the Commission grant expedited approval, to the extent necessary, for the proposed *pro forma* merger of Applicants, with DSI surviving. In addition, the Applicants request approval for Bush River to merge its operating authority upon consummation of the proposed transaction with DSI. Finally,

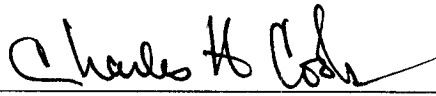
the Applicants respectfully request that the Commission grant this relief without a public hearing, on or before April 30, 2008, to permit the companies to meet important business planning, and grant such other relief as is just and proper.

RESPECTFULLY SUBMITTED THIS 26th DAY OF FEBRUARY 2008.

DEVELOPMENT SERVICE, INC.

BUSH RIVER UTILITIES, INC.

By Their Counsel:

A handwritten signature in black ink, appearing to read "Charles H. Cook", is written over a horizontal line.

Scott Elliott
Charles H. Cook
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
(803)771-0555 (Tel)
(803)771-8010 (Fax)

**AGREEMENT AND PLAN OF MERGER
OF
BUSH RIVER UTILITIES, INC.
INTO DEVELOPMENT SERVICE, INC.
AND CONSENT OF SHAREHOLDERS
AND DIRECTORS**

DRAFT

This Agreement and Plan of Merger and Consent of the Shareholders and Directors is entered into by all the Shareholders and Directors of Bush River Utilities, Inc., a South Carolina corporation, and the Shareholders of Development Services, Inc., a South Carolina statutory close corporation (sometimes hereinafter referred to collectively as "Corporation").

FIRST: (a) The name of each constituent Corporation is as follows:

Bush River Utilities, Inc., a South Carolina corporation

Development Service, Inc., a South Carolina corporation

(b) The name of the surviving Corporation is:

Development Service, Inc., a South Carolina corporation

SECOND: As to each constituent Corporation, the designation and number of outstanding shares of each class and series and the voting rights thereof are as follows:

Name of Corporation	Designation and number of shares in each class of Shares or series outstanding	Class or Series Entitled to Vote	Shares entitled to vote as a or Series
Bush River Utilities, Inc.	Common - 1,000	Common	1,000
Development Service, Inc.	Common - 1,000	Common	1,000

THIRD: The terms and conditions of the merger, including the manner and basis of converting the shares of the constituent Corporation into shares of the surviving Corporation are as follows:

(a) Upon the effective date of the merger, Bush River Utilities, Inc., shall merge into Development Service, Inc., which shall be the surviving Corporation.

(b) The Shareholders of Bush River Utilities, Inc. shall surrender their

shares for cancellation and shall receive no new shares in Development Service, Inc., the surviving Corporation.

(c) The Articles of Incorporation of Bush River Utilities, Inc. shall cease to exist.

FOURTH: The foregoing Agreement and Plan of Merger was duly adopted by unanimous vote of the Shareholders and Directors of Bush River Utilities, Inc. and by the Shareholders and Directors of Development Service, Inc. on the day and date set forth below, and shall be effective as of January 1, 2008.

IN WITNESS WHEREOF, the undersigned have executed this document on the 20th day of December, 2007.

DRAFT

Bush River Utilities, Inc.

BY: _____
Keith G. Parnell, Shareholder and Director

BY: _____
Charles K. Parnell, Shareholder and Director

Development Service, Inc.

BY: _____
Keith G. Parnell, Shareholder and Director

BY: _____
Charles K. Parnell, Shareholder and Director

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

DRAFT

ARTICLES OF MERGER

Pursuant to §33-11-105 of the 1976 South Carolina Code, as amended, the undersigned as the surviving Corporation in a merger, hereby submits the following information:

1. The name of the surviving Corporation is Development Service, Inc., a South Carolina corporation.
2. Attached hereto and made a part hereof is a copy of the Agreement and Plan of Merger.
3. Complete the following information to the extent it is relevant with respect to each corporation which is a party to the transaction:
 - (a) Name of the Corporation is Bush River Utilities, Inc., a South Carolina corporation. The Agreement and Plan of Merger was duly approved by the Shareholders and Directors of the Corporation by written consent, a copy of which is attached hereto.
 - (b) Name of Corporation is Development Service, Inc., a South Carolina corporation. The Agreement and Plan of Merger was duly approved by the Shareholders and Directors of the Corporation by unanimous written consent, a copy of which is attached hereto.
4. The effective date of this document shall be January 1, 2008.

Development Service, Inc.

By: _____
Keith G. Parnell, President

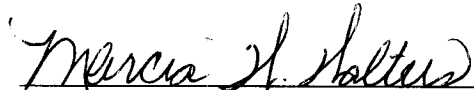
Date: December 20, 2007

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of a Joint Application of Development Service, Inc., and Bush River Utilities, Inc. for Approval of a *Pro Forma* Restructuring behalf of Development Service, Inc. and Bush River Utilities, Inc., indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: In the Matter of the Joint Application of Development Service, Inc., and
 Bush River Utilities, Inc. for Approval of a *Pro Forma* Restructuring

PARTIES SERVED: Nanette Edwards, Esquire
 Office of Regulatory Staff
 1441 Main Street
 Suite 300
 Columbia, SC 29201


Marcia W. Walters
Legal Assistant

February 26, 2008

RECEIVED
2008 FEB 26 PM 12:02
SC PUBLIC SERVICE
COMMISSION